



Operations

Robert Schmitt

Deputy Executive Director

Contract Management
Operations



Topics

- Service Sets
- Operating Principles
- Supplier Risk Management
- Process Reviews
- Performance and Investment Goal Review



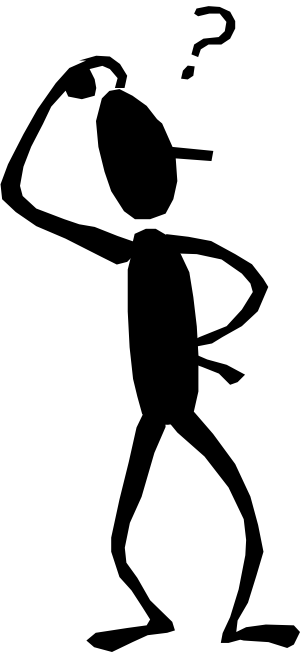
Service Sets

- Pre-Contractual Advice Services
- Major Program Services
- Risk Assessment Services
- Product Support Services - Right Item
- Delivery Services - Right Time
- Pricing/Modification Services - Right Price
- Business & Financial Systems Services
- Flight Operations
- Payment and Financial Management Services
- Contract Closeout Services
- Services Support
- Organizational Support



Operating Principles

- Performance and Process Management
- Risk Management
- Civil-Military Integration (Single Process Initiative)
- Process Oriented Contract Administration Services (PROCAS)
- Integrated Product Teams (IPTs)
- Management Councils
- Integrated Management
- Early CAS






Risk Management Policy Structure

Same Approach

Same Terminology

**One Book**
DLAD 5000.4, Contract Management

Operating Principle
Risk Management

**One Book**
DLAD 5000.4, Contract Management

Risk Assessment Services
Supplier Risk Management

**One Book**
DLAD 5000.4, Contract Management

18 Chapters

- *Risk Planning*
- *Risk Assessment*
- *Risk Handling*
- *Risk Monitoring*
- *Risk Documentation*

**One Book**
DLAD 5000.4, Contract Management

Organizational Support Services
Internal Risk Management

**One Book**
DLAD 5000.4, Contract Management

Tool Subchapters



DoD Risk Management





Policy ure

Risk Management



Supplier Risk Management



--Earned Value Management System (EVMS)
Delivery Management

--Integrated Logistics Support
--Property Control System Analysis

--Contractor Estimating System Reviews
Payments
--Contractor Purchasing System Reviews

--Material Management & Accounting Systems
Quality Assurance (QA)

--Schedule and

--Contract Safety
--Progress Payments

--Performance Based
--Public Vouchers

--Supplier



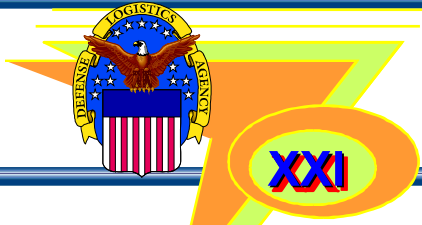
Process Reviews

- **An annual comprehensive “state of the process” review - take the process apart and examine in detail**
 - **Strategy - Process - Product**
 - **Performance - Process driver validation - Improvement strategy alignment**
 - **Conformance**
 - **Tools; training; IT systems**
 - **Internal Process Metrics - sufficient to support performance management at the CAO level? Addressed in the IOA checklist?**
 - **Resource consumption - unit cost**
 - **Feedback**
 - **Process capability level**



Process Reviews

- Results:
 - Significant impact on the One Book - chapter combinations
 - Critical review of metrics and performance goals
 - Feeds next years performance plan



Summary

- What:
 - Service Sets focus on Right Item/Time/Price
 - Business Plan targets improvement areas
- How:
 - Operating Principles provide guidance and foundation for all processes
 - Processes provide the framework for execution
- Who:
 - You and me
- Next Step?
 - Return to the top of the chart and start over

X.X.X - Performance Goal

Description

- Why is the performance goal important? (What drove the need for the goal--customer, stakeholder requirement, etc?)
- What is expected of the CAOs? (Focus on uniques, changes, challenges, “winning” strategies being pursued this year.)
- What is the source of data?
- How to calculate ...
 - Baseline?
 - Improvement?
 - Year-end status?
- Any substantial changes from FY 00 to FY 01 (if applicable)?

XX - Investment Goal

Description

- Why is the investment goal important? (What drove the need for the goal--customer, stakeholder requirement, etc?)
- What are the major milestones?
- What is the desired end state (ultimate goal)?
- What is expected of the CAOs? If nothing, so state. (Focus on uniques, changes, challenges, “winning” strategies being pursued this year.)
- Any substantial changes from FY 00 to FY 01 (if applicable)?